# CORRECTED REBUTTAL TESTIMONY

OF

JENNIFER L. HINMAN

**ECONOMIC ANALYST** 

POLICY DIVISION

**ILLINOIS COMMERCE COMMISSION** 

APPROVAL OF THE ENERGY EFFICIENCY AND DEMAND-RESPONSE PLAN PURSUANT TO 220 ILCS 5/8-103 AND 220 ILCS 5/8-104.

AMEREN ILLINOIS COMPANY

**DOCKET NO. 13-0498** 

NOVEMBER 20, 2013

## TABLE OF CONTENTS

I.	Introduction1				
	A.	A. IDENTIFICATION OF WITNESS			
	B.	SUBJECT MATTER	1		
	C.	Purpose of Testimony	1		
	D.	ATTACHMENTS			
II.	REBUTTAL				
	A.	EXHAUSTING AVAILABLE BUDGETS, MID-YEAR PROGRAM SHUTDOWNS, AND EXCEEDING MODIFIED GOALS	3		
	B.	ANNUAL GOAL ADJUSTMENTS	5		
	C.	FLEXIBILITY	11		
	D.	CFL CARRYOVER	11		
	E.	PROPOSED MODIFIED ILLINOIS NET-TO-GROSS FRAMEWORK – AG EXHIBIT 1.1 AND ELPC EXHIBIT 1.4.	12		
	F.	THE AG, AG EXHIBIT 1.0 – DIRECT TESTIMONY OF PHILIP H. MOSENTHAL	22		
		1. Boilers and Furnaces (AG Ex. 1.0, 48.)	22		
		2. EM&V Schedules for TRM and NTG Updates (AG Ex. 1.0, 52.)	23		
		3. CREATION OF AN ILLINOIS ENERGY EFFICIENCY POLICY MANUAL (AG Ex. 1.0, 52.)	25		
	G.	CUB, CUB EXHIBIT 1.0 – DIRECT TESTIMONY OF REBECCA DEVENS	28		
		1. DEFINITION OF ELIGIBLE RETAIL CUSTOMERS AND CALCULATION OF THE DEMAND RESPONSE GOALS (CUB Ex. 1.0, 20.)	28		
	Н.	ELPC, ELPC EXHIBIT 1.0 – DIRECT TESTIMONY OF GEOFFREY C. CRANDALL	29		
		1. Workshops Concerning Additional Financing (ELPC Ex. 1.0, 9.)	29		
		2. Data Center Program	30		
	l.	IIEC, IIEC EXHIBIT 1.0-C — CORRECTED DIRECT TESTIMONY OF ROBERT R. STEPHENS	31		
		1. Large C&I Pilot Program Proposal	31		
	J.	NRDC, NRDC EXHIBIT 1.0 – DIRECT TESTIMONY OF JIM GREVATT	31		
		1. MULTIFAMILY COMMON AREA RECOMMENDATIONS (NRDC Ex. 1.0, 30-31.)	31		
III.	Con	ICLUSION	32		

#### **ATTACHMENTS**

**STAFF EXHIBIT 3.1** – STAFF'S MODIFIED ILLINOIS NET-TO-GROSS FRAMEWORK PROPOSAL, INCORPORATING CERTAIN AG AND ELPC SUGGESTIONS.

**STAFF EXHIBIT 3.2** – STAFF'S MODIFIED ILLINOIS NET-TO-GROSS FRAMEWORK PROPOSAL, REDLINED.

## 1 I. INTRODUCTION

- 2 A. <u>IDENTIFICATION OF WITNESS</u>
- 3 Q. Please state your name.
- 4 A. My name is Jennifer L. Hinman.
- 5 Q. Are you the same Jennifer L. Hinman who previously submitted direct
- 6 testimony in this docket?
- 7 A. Yes. My direct testimony is contained in Staff Ex. 1.0.
- 8 B. SUBJECT MATTER
- 9 Q. What is the subject matter of this proceeding?
- 10 A. This case concerns the filing by Ameren Illinois Company ("Ameren" or "AIC" or
- "Company") of a Plan (Ameren Ex. 1.1 (2nd Rev.) and Appendices A (Rev.)
- through D) to implement energy efficiency ("EE") and demand-response
- programs, pursuant to Sections 8-103 and 8-104 of the Illinois Public Utilities Act
- 14 ("Act"). 220 ILCS 5/8-103(f); 220 ILCS 5/8-104(f).
- 15 C. Purpose of Testimony
- 16 Q. What is the purpose of your rebuttal testimony?
- 17 A. The purpose of my rebuttal testimony is to respond to certain issues addressed
- in the direct testimony of the Illinois Office of the Attorney General ("AG") witness
- 19 Philip H. Mosenthal (AG Exs. 1.0-1.1), the Citizens Utility Board ("CUB") witness
- 20 Rebecca Devens (CUB Ex. 1.0), the Environmental Law and Policy Center
- 21 ("ELPC") witness Geoffrey C. Crandall (ELPC Exs. 1.0, 1.4), the Illinois Industrial

Energy Consumers ("IIEC") witness Robert R. Stephens (IIEC Ex. 1.0-C), and the Natural Resources Defense Council ("NRDC") witness Jim Grevatt (NRDC Ex. 1.0).

First, I address the broad policy issues addressed in the direct testimony of more than one party in this proceeding: (1) Exhausting Available Budgets, Mid-Year Program Shutdowns, and Exceeding Modified Goals; (2) Annual Goal Adjustments; (3) Flexibility; (4) Compact Fluorescent Lamp ("CFL") Carryover; and (5) Modifications to the Illinois Net-To-Gross ("NTG") Framework. I also respond specifically to the AG's and ELPC's Proposed Modified Illinois NTG Framework (AG Ex. 1.1; ELPC Ex. 1.4) and outline the modifications attached hereto as Staff Ex. 3.1 that were made to Staff's Proposed Modified Illinois NTG Framework (Staff Ex. 1.1) based on some of the language from the AG and ELPC proposal. Finally, I respond to certain recommendations made by specific parties that do not fit within the aforementioned categories.

Staff witness Dr. David Brightwell (Staff Ex. 4.0) addresses CUB's proposals for implementing demand response programs. (CUB Ex. 1.0, 25-28.)

## Q. Do you address every issue raised by the parties in their direct testimony?

A. No. My silence on an issue or failure to address any statement or position offered by any party in this proceeding should not be construed as either an endorsement or a criticism of that statement or position.

42		D. <u>Attachments</u>
43	Q.	Are you sponsoring any attachments with your testimony?
14	A.	Yes. The following exhibits are attached:
45		Staff Ex. 3.1 contains Staff's Modified Illinois Net-To-Gross Framework
46		Proposal that incorporates portions of the AG and ELPC NTG Framework
47		Proposal.
48		Staff Ex. 3.2 contains a redlined version of Staff's Modified Illinois Net-To-
19		Gross Framework Proposal that incorporates portions of the AG and ELPC
50		NTG Framework Proposal and it compares Staff Ex. 1.1 with Staff Ex. 3.1.
51	II.	REBUTTAL
52 53		A. EXHAUSTING AVAILABLE BUDGETS, MID-YEAR PROGRAM SHUTDOWNS, AND EXCEEDING MODIFIED GOALS
54	Q.	Please describe concerns expressed by the parties concerning AIC not
55		spending its entire budget during Plan 2.
56	A.	CUB witness Devens expresses concern that "the goals set in the previous Plan
57		filing were unnecessarily low" and "Ameren's repeated failure to spend the entire
58		portfolio budget and ability to so greatly achieve savings beyond the targets
59		illustrates that there is room for improvement." (CUB Ex. 1.0, 17-18.) Ms.
60		Devens further argues:
61 62 63 64 65		Ameren should be spending the entire portfolio budget, which excludes marketing, administrative, and evaluation, measurement, and verification ("EMV") costs. I believe the goal of the EEPS is to maximize energy efficiency in Illinois while minimizing the impact program costs have on consumers' bills. The spending screen ensures that electric and gas customers will not see increases of more

67 than around 2% as a result of these programs. The goal of the EEPS 68 is for the utilities to spend money on energy efficiency programs, not 69 limit how much they spend by proposing low goals. 70 (CUB Ex. 1.0, 18.) Similarly, NRDC witness Grevatt appears to concur with Ms. 71 Devens' position. Mr. Grevatt states: 72 Ameren has easily exceeded approved goals for PY4 and even after 73 NTG adjustments will have done so again in PY5. 74 forecast for PY6 predicts that they will exceed those goals as well. 75 Moreover, this was accomplished despite consistently leaving 76 budgeted funds unspent[.] 77 (NRDC Ex. 1.0, 15-16.) Mr. Grevatt states: 78 [AIC] should be held accountable for achieving the greatest amount of 79 savings possible within the spending cap, and Ameren's own past experience demonstrates that their proposed savings levels do not 80 81 represent the best that they can do. 82 (NRDC Ex. 1.0, 18.) 83 Q. Is it appropriate for AIC to shut down programs in the middle of a program 84 year because it meets the modified goals? 85 Α. No. Given the modified goals being requested, AIC should be directed to spend 86 all funding to the extent practicable on cost-effective energy efficiency measures. 87 It is not necessary to spend all, because it seems unreasonable to expect AIC to have the exact knowledge before the end of the program year concerning which 88 89 EE projects will be completed in time. However, if AIC overspends in one year, it can be picked up in the following year consistent with the approach the 90 91 Commission approved in the Plan 1 Order, where the Commission allowed that AIC and DCEO "may 'bank' cost overruns." Plan 1 Order at 29. 92 The 93 Commission should encourage AIC to use leftover money to implement cost94 effective EE measures rather than shut down the EE program. This approach
95 would support banking and customers will benefit by AIC exceeding the modified
96 goals by pursuing additional cost-effective measures. I do believe a Commission
97 directive to this effect is necessary. As long as the Commission adopts this
98 recommendation, many of the parties' concerns concerning annual goal
99 adjustments and flexibility should be alleviated.

- Q. Are you aware that AIC significantly reduced spending on certain programs
   during Plan 2?
- 102 A. Yes. In program year ("PY") 4, AIC significantly reduced spending on the
  103 Residential Lighting Program during the spring which resulted in the Evaluators
  104 being unable to conduct in-store intercept surveys to estimate an updated NTGR
  105 value for this large program.

#### B. ANNUAL GOAL ADJUSTMENTS

- 107 Q. Please state the Company's position with respect to annually adjusting the modified energy savings goals.
- 109 A. Page 21 of the Company's Plan states:

- Specifically, with any change in an annual NTG or measure value, the same revised value replaces the filed values contained in this Plan as filed in this docket for that applicable year, thus creating an adjusted savings goal for that year.
- (Ameren Ex. 1.1 (2nd Rev.), 21.) In addition to the relatively straightforward changes to NTG and TRM values, the Company also requests goal modifications in

116 the event of "program changes" and "with any change in program design." (Ameren 117 Ex. 5.0, 5; see also, Ameren Resp. to Staff DR JLH 3.15, 3.16, 4.01, NRDC DR 118 2.10.) Dr. Obeiter states: 119 If the minimum efficiency of manufactured units increases, furnaces 120 may no longer be a viable program measures and therefore may be 121 eliminated from the Company's program with little notice. 122 example, however, is by no means exhaustive of the types of reasons 123 for portfolio modification. In order to address these shifts, Ameren 124 Illinois should be allowed to adjust its annual goals, either up or down, 125 consistent with program changes. 126 (Ameren Ex. 5.0, 28.) 127 Do other parties support AIC's proposal to annually adjust its goals? Q. 128 Α. No. Most parties generally oppose annually adjusting AIC's savings goals. (AG 129 Ex. 1.0, 42-43; NRDC Ex. 1.0, 27-28.) 130 Q. How do you respond to the parties' opposition for annually adjusting AlC's 131 savings goal? 132 A. I understand the parties concerns, but I believe if the Commission adopts my 133 policy recommendations, including those discussed in Section II.A. above, 134 most—if not all—of the parties' concerns would be effectively eliminated. The 135 two main concerns of the parties relate to (1) AIC will not make prudent program 136 adjustments and (2) AIC will not spend leftover funds on additional cost-effective 137 energy efficiency once it reaches the modified energy savings goals. 138 The basis of many parties' concerns is that AIC will not make prudent 139 program adjustments based on the revised TRM and NTG ratios if the savings

goals are also allowed to adjust. (AG Ex. 1.0, 40, 42.) I share this concern, and I

indicated in my direct testimony that I would only support annual adjustments to savings goals based on TRM and NTG changes if the Commission explicitly required that AIC be held accountable to prudently respond to such changes in the implementation of its programs. (See, Staff Ex. 1.0, 28-29.) Another concern parties have with respect to annually adjusting AIC's savings goals is that it will make it extremely easy for the AIC to achieve the modified goals and that once AIC achieves those modified goals, AIC will shut down programs mid-year and not spend all the budgeted funds on cost-effective EE measures and deprive Illinois customers of the benefits they deserve. If the Commission approves goals in this proceeding for which AIC must strive hard to achieve, then any change in goals resulting from changes in NTG and TRM values will still result in modified goals that AIC must strive hard to achieve. Additionally, AIC is at risk with respect to ensure program participation is sufficient to achieve modified goals. Finally, adoption of my recommendation made in the previous section concerning the Commission directing AIC to spend all funding to the extent practicable on cost-effective energy efficiency measures in order to exceed the modified goals should completely eliminate the parties' concerns in this regard.

141

142

143

144

145

146

147

148

149

150

151

152

153

154

155

156

157

158

- Q. Has the Commission previously approved annual adjustments to modified savings goals based on changes in NTG or TRM values?
- 160 A. Yes. In ComEd's Plan 2 Docket No. 10-0570, the Commission agreed with a
  161 stipulation entered into by all parties (and Staff did not object) that modified the
  162 savings goals such that they would adjust annually based on changes in the NTG
  163 ratio for its residential lighting program.

- Have you noticed distortions concerning reviewing utility performance under the previous framework where the modified savings goals do not adjust to the annually updated NTG and TRM values?
- 167 As noted above, in PY4, AIC significantly reduced spending on the Α. Yes. 168 Residential Lighting Program during the spring which resulted in the Evaluators 169 being unable to conduct in-store intercept surveys to estimate an updated NTGR 170 value for this large program. It is important to note that the previously evaluated 171 NTGR for that program occurred in PY2 (NTGR=0.83), thus an updated NTGR 172 value was well-warranted for this program undergoing significant market change. 173 Given the Evaluators were unable to estimate a NTGR for this program for AIC in 174 PY3 and PY4, the estimated net savings for PY4 from this program was 175 calculated using a NTGR of 0.83, whereas the Commission had ordered AIC to 176 perform re-modeling of the Plan 2 using a NTGR of 0.58 for PY4. I believe this 177 significant discrepancy between the NTGR used to estimate PY4 savings by 178 AIC's evaluators and the NTGR used in modeling when calculating the modified 179 goals for the compliance filing for PY4, and the large size of this program, was a 180 significant driver in AIC's perceived overachievement of its PY4 modified energy 181 savings goals. Plan 2 Order, in Docket No. 10-0568, at 27, 29. Thus, as a 182 result of not annually revising goals consistent with NTG changes, AIC was 183 perceived to greatly exceed its goals in PY4, due in large part to AIC using a favorable NTG ratio. It provides a distorted picture of the efficacy of the program 184 185 achievements in comparison to the goals.

Q. Do you support AIC's recommendation to adjust the statutory savings goals
 based on "any change in program design"?

188

189

190

191

192

193

194

195

196

197

198

199

200

201

202

203

204

205

206

207

208

Α.

No. AIC has not strictly defined "any change in program design" or "program" changes" despite Staff's attempt to obtain clarification on this point. (Ameren Resp. to Staff DR JLH 4.01.) The other Illinois gas utilities offering programs pursuant to Section 8-104 of the Act have requested annual savings goal adjustments based only on changes to NTG values and IL-TRM values. (See Northern III. Gas Co., ICC Docket No. 13-0549, Nicor Gas Ex. 2.0, 17 (Sept. 30, 2013); The Peoples Gas Light and Coke Co. and North Shore Gas Co., ICC Docket No. 13-0550, NS-PGL Ex. 1.0, 25-26 (Oct. 1, 2013).) This savings goal adjustment is a straightforward calculation. Accordingly, it is less subjective, and less subject to gaming and litigation, than adjusting goals based on changes in AIC's forecasted participation due to changes it decides to make to program designs from IL-TRM or NTG changes. Consistent with the other gas utilities' proposals concerning annual adjustments to their Section 8-104 energy savings goals, I recommend the Commission approve annually adjusting savings goals based strictly on changes in NTG values and IL-TRM values (subject to the Commission making it clear that the Company is still responsible for prudently managing its portfolio to respond to market changes and new information as it becomes available as discussed above). I recommend the Commission reject AIC's proposal to annually adjust savings goals based on "any" program changes as contemplated by AIC witness Dr. Obeiter, as this creates the potential for gaming by the utility. (Ameren Ex. 5.0, 5.)

- Q. Several parties claim that AlC's proposal to annually adjust savings goals would be excessively burdensome to administer. (AG Ex. 1.0, 42-43; NRDC Ex. 1.0, 4.) How do you respond?
- 212 Α. I agree that the component of AIC's proposal to annually adjust savings goals 213 based on subjective changes to program design would be excessively 214 burdensome to administer and it is much more subject to gaming. This 215 component of AIC's proposal seems somewhat comparable to the AG's 216 proposed flexibility limitations. (AG Ex. 1.0, 32-33.) I believe that annually 217 adjusting the savings goals based strictly on changes to the IL-TRM and NTGRs 218 is administratively easy to implement as it involves simply changing an assumed 219 NTG or TRM value in a spreadsheet to calculate the revised goals.
- Q. ELPC witness Crandall expresses concern about applying a NTG adjustment to AlC's annual goals for a previous year based on a subsequent evaluation report because it would eliminate the incentive for the Utilities to minimize free-ridership and program impact and effectiveness. (ELPC Ex. 1.0, 19.)

  How do you respond?
- 225 A. I generally agree with Mr. Crandall. However, the situation he describes does
  226 not represent my understanding of AIC's proposal. While Mr. Crandall is
  227 assuming the goals are adjusted on a retroactive basis based on evaluated
  228 NTGRs, my understanding of AIC's proposal is that goals would be adjusted on a
  229 prospective basis, prior to the start of the program year, and based on the values
  230 known in advance of the program year, the Utilities will strive hard to exceed
  231 those goals.

232		C. <u>Flexibility</u>
233	Q.	Most parties address AIC's request for flexibility. (See, AG Ex. 1.0, 34-35;
234		CUB Ex. 1.0, 17; ELPC Ex. 1.0, 19-20; NRDC Ex. 1.0, 26.) Do you agree with
235		any of the parties' positions concerning flexibility?
236	A.	I concur with CUB's position supporting flexibility.
237		D. <u>CFL Carryover</u>
238	Q.	AG witness Mosenthal indicates there has been some uncertainty with
239		respect to how to calculate CFL carryover savings. (AG Ex. 1.0, 27.) Do you
240		agree?
241	A.	Yes. I agree there previously was some degree of uncertainty concerning CFL
242		carryover calculations, but to a large degree it has been addressed and clarified
243		in the most recent update to the IL-TRM. (See, IL-TRM Version 2.0, ICC Docket
244		No. 13-0437.)
245	Q.	AG witness Mosenthal requests getting rid of CFL carryover. (AG Ex. 1.0, 26.)
246		What is your response?
247	A.	If Mr. Mosenthal wants to remove CFL carryover from the IL-TRM then he should
248		submit a recommendation for a TRM Update through the TRM Update Process
249		outlined in the TRM Policy Document. It is inappropriate to raise this issue in a
250		single utility's three-year plan filing docket, when the IL-TRM impacts all the
251		Illinois program administrators. Thus, I recommend that the Commission decline
252		to rule on Mr. Mosenthal's request to get rid of CFL carryover in this docket.

- 253 Q. Several parties recommend that AIC should include an estimated amount of 254 savings expected from CFL carryover from CFLs purchased in PY5 and PY6 255 in the savings estimates presented in its Plan. (AG Ex. 1.0, 23-28; NRDC Ex. 256 1.0, 13-15.) Do you agree?
- 257 Α. Yes. AIC is required to follow the IL-TRM when submitting its Plan and thus estimating the amount of savings from CFL carryover bulbs should be included. 258 AIC witness Goerss indicates that CFL carryover calculations are based on the 259 260 NTGR estimated for the year the bulbs are installed. (AG Ex. 1.0, 26.) Mr. 261 Goerss' interpretation of CFL carryover calculations in this regard is incorrect; it 262 is the NTGR estimated during the year of purchase that should be used. 263 However, the IL-TRM Version 2.0 does provide that the gross savings 264 calculations for the CFL carryover bulbs should be based on the evaluated 265 savings for the year the bulb is installed (i.e., the baseline determined for the 266 installation year).
- 267 E. Proposed Modified Illinois Net-to-Gross Framework AG Exhibit
  1.1 AND ELPC Exhibit 1.4.
- Q. In addition to AIC and ICC Staff, were other proposals made to modify the
   existing Illinois NTG Framework?
- A. Yes. AG witness Mosenthal and ELPC witness Crandall recommend adoption of the Proposed Modified Illinois NTG Framework (AG Ex. 1.1; ELPC Ex. 1.4) ("AG/ELPC NTG Framework") that they each have attached to their direct testimony. (See, AG Ex. 1.1; ELPC Ex. 1.4.)
- 275 Q. Do you support adoption of the AG/ELPC NTG Framework?

- 276 Α. No. For the reasons described below and set forth in my direct testimony, I 277 recommend the Commission adopt Staff's proposed Modified Illinois NTG Framework attached hereto as Staff Ex. 3.1. In an effort to work with other 278 279 parties and reach a compromise, I have added four elements from the AG/ELPC 280 NTG Framework to Staff's Modified Illinois NTG Framework and have the revised 281 documents attached as Staff Exs. 3.1 (Clean) and 3.2 (Redlined, showing 282 changes between Staff Exs. 1.1 and 3.1). While I support a number of elements 283 contained in the AG/ELPC NTG Framework, there is one element in particular 284 that I simply cannot support: the creation of "voting parties." (AG Ex. 1.1, 2; 285 ELPC Ex. 1.4. 2.) Further, within the AG/ELPC NTG Framework, I have 286 discovered some internal inconsistencies and other elements that would be 287 unworkable in practice (e.g., how to apply evaluated NTGR values in the event of 288 non-consensus, TRM annual update docket, timing for non-residential program 289 NTGR recommendations from the evaluators, missing definition of evaluated 290 NTGR values) should the Commission decide to approve the AG/ELPC NTG 291 Framework without modification. I describe each of these issues in turn below.
- 292 Q. Please describe the element of the AG/ELPC NTG Framework that you absolutely will not support under any circumstance.
- As noted above, although I support a number of elements contained in the AG/ELPC NTG Framework, the element that I simply cannot support is the creation of "voting parties" as set forth in Item 2 of the AG/ELPC NTG Framework. (AG Ex. 1.1, 2; ELPC Ex. 1.4, 2.) Item 2 of the AG/ELPC NTG Framework states, in relevant part:

299 In cases where consensus among voting parties is reached in the SAG 300 on an individual NTGR value by March 1 (PYt), that consensus NTGR 301 value shall be deemed for the applicable program year (PYt+1), 302 provided that the Program Administrators file the consensus NTGR values with the Commission in the TRM annual update docket no later 303 304 than March 1 (PYt). 305 (AG Ex. 1.1, 2; ELPC Ex. 1.4, 2 (footnotes omitted).) 306 Footnote 3 in Item 2 of the AG/ELPC NTG Framework states, in pertinent part: 307 "Voting parties" are the program administrators, Staff, and other 308 parties that have traditionally intervened in EEPS dockets and consistently participated in the SAG. These are AG, NRDC, ELPC and 309 310 CUB. However, voting members cannot also be subcontractors in Section 8-103/104 efficiency programs. 311 312 (AG Ex. 1.1, 2; ELPC Ex. 1.4, 2.) 313 Q. Do the AG and ELPC explain the basis for introducing a voting structure 314 limited to only a few SAG participants? 315 Α. No. Mr. Mosenthal and Mr. Crandall provide no explanation in testimony 316 explaining this significant shift in the structure of the SAG process, which 317 effectively makes certain SAG participants more equal than others. 318 Q. Given that footnote 3 contains a statement explicitly excluding the utilities' 319 subcontractors from voting, do you think it is possible that the AG and ELPC 320 were concerned about the utilities' subcontractors interfering with the 321 consensus-seeking process? 322 Α. It is certainly possible; however, there has been no showing that the utilities' 323 subcontractors would oppose an updated NTGR value that was otherwise a 324 consensus value. I find it highly unlikely that the utilities' subcontractors would

oppose an updated NTGR value that was otherwise a consensus updated NTGR value.

- 327 Q. Why do you think it is highly unlikely that the utilities' subcontractors would oppose an updated NTGR value that was otherwise a consensus updated NTGR value?
- 330 Α. Subcontractors are paid by the utilities and it would not be in their long-term 331 interest to oppose something that their employers have settled with the rest of 332 the SAG participants. It is not worth breaking up the whole structure of the SAG 333 because of an unlikely threat that these subcontractors, against their own long-334 term interest, would throw a wrench into the consensus-seeking SAG NTG 335 update process. Indeed, experience to date during the development of the IL-336 TRM and the IL-TRM Update Process, which operates based on reaching 337 consensus, the utilities' subcontractors actively participated and when the utilities 338 reached consensus with the other SAG participants, the utilities' subcontractors 339 made no attempt to hold up that consensus-reaching process, even though they 340 may not have agreed with the consensus that was reached.
  - Q. Given there is no apparent basis for introducing a drastic shift in the SAG structure, what are your concerns with introducing the shift in the SAG structure?

341

342

343

344 A. When the Commission ordered the SAG's creation in Docket No. 07-0539, it 345 explicitly provided that the group include representation from a "variety of 346 interests." Plan 1 Order at 24. The SAG is a voluntary organization consisting of over thirty organizations, with new organizations requesting to participate in the SAG throughout the Plan. The AG/ELPC NTG Framework proposal to create a voting structure that limited to six SAG participants is completely contrary to the inclusiveness that the SAG has provided to date. Indeed, this openness to all interested parties could likely be a reason why the participation in the SAG continues to grow. Adoption of the AG/ELPC "voting structure" for NTG updates may serve to offend many SAG participants and discourage future participation by organizations.

- Q. Without specific voting members, will it be possible to determine whether consensus has been reached regarding updated NTGR values?
- 357 Α. The SAG is currently able to determine whether consensus has been 358 reached on IL-TRM Updates without modifying the SAG structure and without 359 identifying specific voting members. Staff's Modified NTG Framework includes a 360 process where any interested party must dissent in writing by a specific date to 361 indicate there are non-consensus issues. (See, Staff Ex. 3.1.) Further, the 362 independent Evaluators are tasked with providing meeting notes after the NTG 363 update meetings which can clearly document consensus and non-consensus 364 NTGR values.
  - Q. Please describe the internal inconsistencies within the AG/ELPC NTG

    Framework that would make it difficult to implement in practice if the

    Commission approved it as is.

347

348

349

350

351

352

353

354

355

356

365

366

<sup>&</sup>lt;sup>1</sup> http://www.ilsag.info/meeting-participants.html

368 A. The AG/ELPC NTG Framework provides for two different approaches in the case
369 an individual NTGR value is determined to be non-consensus. This
370 inconsistency can be seen by comparing Item 3 of the "Narrative Explanation of
371 the Modified NTG Framework" to Item 8 of the "Proposed Timeline." (See, AG
372 Ex. 1.1, 2-3; ELPC Ex. 1.4, 2-3.)

Item 3 of the "Narrative Explanation of the Modified NTG Framework" states:

In cases where consensus is not reached on an individual NTGR value by March 1 (PYt), the NTGR value for the applicable program year (PYt+1) shall be the average of the last two available evaluated NTGR values from prior years (or only one year if that was the first evaluated year of the program available), provided that the Program Administrators file the non-consensus NTGR values with the Commission for information purposes in the TRM annual update docket no later than March 1 (PYt). In the event there is non-consensus on an individual deemed NTGR value and there are no Illinois evaluations available, the Program Administrators shall file the non-consensus positions and rationales, and request the Commission rule within 90 days on the deemed NTGR to be used for PYt+1.

(AG Ex. 1.1, 2; ELPC Ex. 1.4, 2 (emphasis added).) I interpret the emphasized text as meaning that the deemed NTGR value is the average of evaluated NTGR values that are currently available (e.g., NTGR<sub>PYt-1</sub>=(NTGR<sub>PYt-1</sub>+NTGR<sub>PYt-2</sub>)/2).

Item 8 of the "Proposed Timeline" states

In cases where consensus is not reached on an individual NTGR value by March 1 (i.e., a NTGR Objection Memo is received regarding an individual NTGR value and is not resolved by March 1), the NTGR value for the applicable program year (PYt+1) shall be deemed at the average of the evaluated NTGR values from PYt and PYt-1.<sup>2</sup> In the event there is non-consensus on an individual NTGR value and there are no Illinois evaluations available, an explanation of the non-consensus issue may be filed with the Commission with a request for resolution prior to June 1.

<sup>&</sup>lt;sup>2</sup> For a program that only has one year of evaluated NTG then that single year will be used.

(AG Ex. 1.1, 3; ELPC Ex. 1.4, 3 (emphasis added).) I interpret the emphasized text, which is consistent with Staff's Modified Illinois NTG Framework, as meaning that the deemed NTGR value for PYt+1 is the average of the evaluated NTGR values from the current program year (PYt) and the previous program year (PYt-1) (e.g., NTGR<sub>PY1+1</sub>=(NTGR<sub>PY1</sub>+NTGR<sub>PY1-1</sub>)/2). As is clearly evident, the proposed approach in Item 3 results in using NTGR values that are over two years old and the Utilities are aware what the average of the two old NTGR values are such that it effectively creates a lower bound and reduces the Utilities incentive to negotiate in good faith on a deemed NTGR value with the SAG. The proposed approach in Item 8 provides for the Utilities to know one of the NTGR values and in certain cases it may know both (e.g., AIC's PY5 Residential Lighting Program NTGR was available in March of PY5). But generally speaking, the Utilities would know one of the NTGR values and have partial retrospective application of the NTGR evaluated for PYt, but given the Utilities are subject to three-year cumulative goals, not knowing the NTGR evaluated for PYt until several months later should still provide the Utilities enough time to adjust their portfolios in a manner that helps ensure they can reach the three-year cumulative goals.

399

400

401

402

403

404

405

406

407

408

409

410

411

412

413

414

415

416

417

- Q. Please describe the additional problems with the AG/ELPC NTG Framework that would make it difficult to implement in practice if the Commission approved it as is.
- A. Some additional problems with the AG/ELPC NTG Framework include: (1) TRM annual update docket, (2) timing for non-residential program NTGR recommendations from the Evaluators, and (3) missing definition of evaluated

NTGR values. As shown in Staff Ex. 3.1, Staff's Modified NTG Framework does not contain these problems.

With respect to the first problem, the AG/ELPC proposal has the Utilities filing the NTGR values in the TRM annual update docket by March 1. However, there is no guarantee that the TRM annual update docket will even be open by March 1. The adopted TRM Policy Document states:

In order to provide the Program Administrators adequate time for making these pre-program year changes, the consensus Updated TRM shall be transmitted to the ICC Staff and SAG by March 1st. The ICC Staff will then submit a Staff Report (with the consensus Updated TRM attached) to the Commission with a request for expedited review and approval. In the event that non-consensus TRM Updates exists, the TRM Administrator shall submit to the ICC Staff and SAG a Comparison Exhibit of Non-Consensus TRM Updates on or about March 1st. After receipt of the Comparison Exhibit of Non-Consensus TRM Updates, the ICC Staff would submit a Staff Report to the Commission to initiate a proceeding separate from the consensus TRM Update proceeding to resolve the non-consensus TRM Update issues.

(TRM Policy Document, 8.) Thus, there is no TRM update docket required to be open on March 1; the Updated TRM (consensus portion) is simply transmitted to SAG on that date, and the non-consensus portion of the Updated TRM is transmitted on or about March 1.

Further, given that parties are allotted until March 1 to reach consensus, in the event that consensus is finally reached by March 1, parties would need time to revise relevant documents before they actually file the document in a docket.

With respect to the second problem related to timing for non-residential program NTGR recommendations from the Evaluators, the AG/ELPC NTG

Framework requires the Evaluator's memorandum for all NTGRs to be submitted by November 1. The Evaluators note that they can commit to providing draft NTGR results by December 1 for non-residential programs. Thus, it is likely that the initial Evaluator's memorandum will not reflect the most recent findings with respect to estimating NTGRs for the Utilities' non-residential programs.

Finally, the AG/ELPC NTG Framework is missing a definition for "Evaluated NTGR values." "Evaluated NTGR values" potentially could mean the NTGRs estimated from surveys of the Utilities' participating customers and trade allies, regardless of whether the Evaluator recommended the NTGR be a mix of secondary and primary data, or even if the Evaluator recommended to totally ignore a portion of the primary. "Evaluated NTGR values" could potentially mean whatever NTGR value the Evaluator recommended the final NTGR be — regardless of whether it was a mix of secondary data and primary data.

These three problems are real problems which would significantly frustrate any attempts at implementing the AG/ELPC NTG Framework. Staff's Modified NTG Framework (Staff Ex. 3.1) is free of these problems and provides a framework that would be workable in practice. If AIC or any other party discovers any potential problems that would need clarification associated with Staff's Modified NTG Framework, I would encourage those parties to send a data request to Staff concerning the problems such that a response can be provided to resolve the issue and the response can be entered into the record at the hearing in this proceeding.

- 472 Q. Please describe the four elements from the AG/ELPC NTG Framework that
- 473 you have incorporated in Staff's revised Modified Illinois NTG Framework
- 474 attached hereto as Staff Ex. 3.1.
- 475 A. First, I added the AG/ELPC's definition for the "PYt" nomenclature in footnote 1.
- 476 (See, Staff Ex. 3.1, 1; Staff Ex. 3.2, 1; AG Ex. 1.1, 1; ELPC Ex. 1.4, 1.) Second, I
- added the AG/ELPC's definition for "deeming of a NTGR value" in footnote 2. Id.
- Third, I added part of the AG/ELPC's definition for "consensus" in footnote 4.
- 479 (See, Staff Ex. 3.1, 3; Staff Ex. 3.2, 3; AG Ex. 1.1, 2; ELPC Ex. 1.4, 2.) Finally, I
- added the AG/ELPC's Item 5 under "Narrative Explanation of the Modified NTG
- Framework" to Step 11 of Staff's Modified Illinois NTG Framework. (Staff Ex.
- 482 3.1, 4; Staff Ex. 3.2, 4; AG Ex. 1.1, 2-3; ELPC Ex. 1.4, 3.)
- 483 Q. Please summarize the differences across the Modified Illinois NTG
- 484 Framework proposals in this docket.
- 485 A. Please see comparison table below that summarizes my understanding of the
- 486 AIC, AG/ELPC, and Staff proposals. One of the key differences is that AIC's
- proposal relies completely on the Evaluator's recommendation. This reliance
- 488 however is inconsistent with past Commission Orders wherein the Commission
- 489 concluded that the independent evaluations are simply one piece of evidence but
- there could be other parties competent to testify to savings achievement. See,
- 491 ComEd Plan 1 Order (ICC Docket No. 07-0540) at 27.

Modified NTG Framework	Original NTG Framework	AIC	AG/ELPC	Staff
Voting	More than a majority of SAG members but discussion of dissenting opinions shall be provided to the ICC	Evaluators only one with a vote	Only 6 selected SAG participants vote	All interested parties
SAG	All interested SAG participants	Excludes SAG	Only 6 selected SAG participants	All interested SAG participants
Accommodates EM&V Schedules	No Formal Dates	Yes	Not Entirely	Yes
Filing of NTGR Values	Utility Plan Docket	?	TRM Update Docket	Initial TRM Docket 12- 0528
New Program	Retroactive unless too small to evaluate	Evaluators provide for use prospectively	Deemed Prospectively	Deemed Prospectively

492

493

494

495

496

497

498

499

500

501

#### F. THE AG, AG EXHIBIT 1.0 – DIRECT TESTIMONY OF PHILIP H. MOSENTHAL

#### 1. Boilers and Furnaces (AG Ex. 1.0, 48.)

- Q. Mr. Mosenthal recommends the Commission order AIC to remove costineffective boilers and furnaces from its Plan. (AG Ex. 1.0, 47-49.) Do you support Mr. Mosenthal's recommendation?
- A. Yes, I do. Based on the additional evidence presented in Mr. Mosenthal's testimony, I am convinced that there is no good reason to include the cost-ineffective boiler and furnace measures in the Plan. (AG Ex. 1.0, 47-49.) The funds could be shifted to the cost-effective dual fuel comprehensive programs to

allow more electric savings. Mr. Mosenthal makes convincing arguments with respect to: (1) furnace and boiler installations being standalone installations, so there are no synergies with other measures that require their inclusion in the Plan; (2) the fact that it is not sound policy to keep vendor relationships alive when there is no expectation that the efficiency measures will ever become costeffective in the future, particularly since soon-to-be-effective federal standards provide additional justification for the measures not being expected to be costeffective in the future and render it unlikely they could become cost-effective; and (3) the fact that including the measures reduces electric savings by limiting AIC's ability to pursue cost-effective measures in the comprehensive dual fuel EE programs with the long-life measure offerings. Id. Shifting budgets that are currently allocated to promoting these cost-ineffective measures to supplement gas budgets in the combined electric and gas programs has the beneficial effect of allowing greater efficiency to be captured. (AG Ex. 1.0, 49.) I continue to recommend the Commission order AIC to limit the implementation of the other cost-ineffective measures included in the Plan filing to the participation estimates included in the Plan. (Staff Ex. 1.0, 19-21; see also, Staff Ex. 1.3, 9-11.)

502

503

504

505

506

507

508

509

510

511

512

513

514

515

516

517

518

519

520

521

522

523

Q.

## 2. EM&V SCHEDULES FOR TRM AND NTG UPDATES (AG Ex. 1.0, 52.)

Mr. Mosenthal requests that the Commission direct AIC to work with the SAG on "[i]mproving the evaluation, measurement and verification (EM&V) process so that [the Evaluators'] reports are produced in a timely fashion to inform TRM and NTG updates[.]" (AG Ex. 1.0, 52.) Do you support Mr.

Mosenthal's request to improve the EM&V process so that the Evaluators' reports are produced in a timely fashion to inform TRM and NTG updates?

Α.

I agree with this concept and in fact Staff has been working to encourage the Evaluators to deliver EM&V reports concerning TRM and NTG updates in a more timely fashion. Accordingly, rather than Commission directing AIC to work with the SAG concerning this evaluation timing issue as requested by Mr. Mosenthal, it would be more efficient to have the Commission resolve this issue in this docket and adopt the workable timelines suggested by the Evaluators for TRM and NTG updates such that AIC can have those incorporated in its evaluation contracts after approval of the Plan. (Staff Ex. 1.2, 1.)

One of the apparent drivers of the date the NTG results are produced is the date the Evaluators finally receive the final EE program tracking system information from the utilities after the program year has ended. (Staff Ex. 1.3, 2-3.) Since the finalization of the tracking system for the non-residential programs apparently takes longer than for residential programs, producing the NTG results for the non-residential programs also takes longer, namely December 1 for non-residential programs and November 1 for residential programs, which supports why a two-track approach for the NTG updates is appropriate. (See Staff Ex. 1.0, 33-35; Staff Ex. 1.3, 2-3.) Because final tracking system information is not needed for updating the TRM, the Evaluators suggest that the annual TRM Update Process can begin much earlier (i.e., July 1, with much of the work due from the Evaluators on August 1 and October 1) than the process for updating NTG ratios (November 1 for residential NTG ratios and December 1 for non-residential NTG ratios).

Importantly, all of the utilities' Evaluators have worked together and recently produced a single set of suggested timelines that could work well in updating the deemed values for both the TRM and NTG ratios on an annual basis for Illinois. (See Staff Ex. 1.2, 1.) Thus, for the sake of resolving the issue raised by the AG in this docket which would free up limited SAG resources for addressing unresolved matters that actually require SAG's attention, I recommend the Commission adopt the Evaluators' suggested EM&V schedules for TRM and NTG updates as set forth in Staff Ex. 1.2.

Α.

Q.

3. <u>Creation of an Illinois Energy Efficiency Policy Manual (AG Ex. 1.0, 52.)</u>

Mr. Mosenthal requests that the Commission direct AIC to work with the SAG on "[a]n Illinois Energy Efficiency Policy Manual, designed to streamline and encourage consistency on various program-related policies for review and approval by the Commission." (AG Ex. 1.0, 52.) Do you support Mr. Mosenthal's request to have the Commission order AIC to work with the SAG to develop such a manual for review and approval by the Commission?

I do not support the development of such Policy Manual at this time. As an initial matter, it is not evident what problem the creation of such Policy Manual is intended to fix. Indeed, the scope of the Policy Manual is not clearly defined, other than noting a broad-slated purpose that it would somehow "streamline and encourage consistency on various program-related policies[.]" (AG Ex 1.0, 52.) The undefined nature of such proposal and the potentially broad interpretation that could be construed from the terms, "various program-related policies," could be a significant source of contention in even the early development stages.

With respect to consistency, the statute recognizes that coordination and consistency may be valuable across electric and gas programs to the extent it reduces program or participant costs or improves program performance. Section 8-104 of the Act requires the Commission to solicit public comment on a plan "to foster statewide coordination and consistency between statutorily mandated natural gas and electric energy efficiency programs to reduce program or participant costs or to improve program performance[,]" and to report the Commission's findings to the General Assembly. 220 ILCS 5/8-104(k). The Commission has already complied with such directive earlier this year. The Commission's report to the General Assembly appears to offer the Commission's view that existing efforts, including the SAG process, are sufficient.<sup>3</sup>

Notwithstanding the electric and gas coordination and consistency provision, the statutes also recognize that each utility's plan will likely <u>not</u> be consistent with other utilities' plans. Instead, it would be more appropriate to tailor each utility's plan to the characteristics of its specific service territory. Section 8-103 of the Act states, "[e]ach utility's plan shall set forth the utility's proposals to meet the utility's portion of the energy efficiency standards ... and the demand-response standards ... taking into account the unique circumstances of the utility's service territory." 220 ILCS 5/8-103(f) (emphasis added); see similar language, for gas utitlies, in 220 ILCS 5/8-104(f). The record and findings in each utility's Plan filing docket provide sufficient guidance on how each utility should implement the EE programs in its

<sup>3</sup> See,

http://www.icc.illinois.gov/downloads/public/rl/Coordination%20Between%20Gas%20and%20Electric%20Utility%20Energy%20Efficiency%20Programs.pdf and http://www.icc.illinois.gov/electricity/EnergyEfficiencyCoordination.aspx.

unique service territory, and the creation of new policies midstream outside of the Plan filing dockets may serve to complicate and frustrate the utilities' existing EE program offerings to consumers.

Indeed, the Commission's Plan 1 Order states:

This Commission agrees that coordination between Ameren and ComEd, as well as with DCEO, when such coordination reduces costs or administrative burdens, or, when such coordination would improve program performance, is desirable. We encourage the utilities and DCEO to coordinate as much as possible. However, we decline to require the utilities to do so. There are obvious differences in the territories of the two utilities regarding many items, including, but not limited to, labor costs, housing structure, population density, and, even topography. The utilities must be able to retain the flexibility to react appropriately to those differences.

Order at 35-36, ICC Docket No. 07-0539 (February 6, 2008) ("Plan 1 Order").

The SAG has created a TRM Policy Document, which is a policy manual concerning policy issues limited to the TRM. The SAG, Staff and Commission have expended a great deal of effort and time on the creation and adoption of this TRM Policy Document Creating a Policy Manual that would require "consistency on various program-related policies" for all Illinois utilities would impose an undue and unnecessary burden on all parties and would divert resources from more important matters such as ensuring the programs are running effectively and updating the IL-TRM.

Finally, I am also concerned about imposing additional commitments upon the SAG. The development of a Policy Manual is expected to be a significant endeavor requiring significant resources to create. As noted by the AG, there have been instances over the last Plan in which the SAG has not followed through with its existing responsibilities as directed by the Commission. (AG Ex. 1.0, 38; see also, Staff Ex. 1.3, 19.) Thus, it would be appropriate for the SAG to focus on accomplishing its existing responsibilities, rather than devote significant SAG resources to create a Policy Manual. SAG has enough duties dealing with the annual TRM and NTG updates and reviewing the utilities' quarterly reports and program changes such that it should concentrate on those given the responsibility the Commission has previously directed the SAG to undertake. (See, AG Ex. 1.0, 51.) Accordingly, I recommend the Commission not adopt Mr. Mosenthal's proposal to create a Policy Manual at this time.

#### G. CUB, CUB EXHIBIT 1.0 – DIRECT TESTIMONY OF REBECCA DEVENS

- 1. <u>DEFINITION OF ELIGIBLE RETAIL CUSTOMERS AND CALCULATION OF THE DEMAND RESPONSE GOALS (CUB Ex. 1.0, 20.)</u>
- Q. Ms. Devens recommends that "Ameren's demand response goal should be based on this pool of customers i.e., all customers who are eligible to be retail customers of the utility." (CUB Ex. 1.0, 20.) Do you agree with Ms. Devens' interpretation of the definition of "eligible retail customers"?
- A. No, I do not. The Commission should reject Ms. Devens' interpretation. The statutory definition of "eligible retail customers" clearly states that it consists of "those retail customers that purchase power and energy from the electric utility under fixed-price bundled service tariffs[.]" 220 ILCS 5/16-111.5(a). Ms. Devens' definition is inconsistent with the plain language in the definition of eligible retail customers specified in statute and both AlC's and ComEd's method to calculating the demand response goals. (CUB Ex. 1.0, 20.)

642 H. <u>ELPC, ELPC Exhibit 1.0 – Direct Testimony of Geoffrey C.</u>
643 <u>Crandall</u>

Α.

Q.

1. Workshops Concerning Additional Financing (ELPC Ex. 1.0, 9.)

Mr. Crandall recommends that the "Commission instruct the Staff to conduct a workshop and the SAG to review, consider the strengths and weaknesses of the various options and prepare recommendations to the Commission regarding the use of additional financing options and alternatives including the use of amortization and capitalization of utility related costs. The recommendations should be presented to the Commission within six months of the issuance of an Order and the possibility of program changes for PY8, depending on Commission authorization and direction." (ELPC Ex. 1.0, 9.) Do you support that recommendation?

No, I do not. The basis of Mr. Crandall's recommendation appears to be that "Ameren's proposed level of savings will fall short of statutory targets and additional efforts should be pursued to increase savings." (ELPC Ex. 1.0, 3.) Mr. Crandall ignores the fact that additional efforts are already underway to increase savings. In particular, Section 16-111.5B of the Act provides a mechanism for the Commission to approve, as part of the annual procurement plan proceedings, expansion of cost-effective Section 8-103 EE programs and new cost-effective EE programs that are incremental to the Section 8-103 EE efforts. Section 16-111.5B EE programs are not subject to budget constraints whereas the Section 8-103 EE programs are. Docket No. 13-0546 is the second procurement plan proceeding to consider approving Section 16-111.5B EE programs. In that docket, the Illinois Power Agency ("IPA") is recommending Commission approval

of \$23,219,956 to implement five EE programs in AlC's service territory for program year ("PY") 7, the program year beginning June 1, 2014. (2014 Procurement Plan, 86 (ICC Docket No. 13-0456).) Additionally, Sections 8-103 and 8-104 of the Act allow for modifying the statutory targets if the goals cannot be achieved within the spending limits. 220 ILCS 5/8-103(d); 220 ILCS 5/8-104(d). One key reason that the proposed level of savings will fall short of the statutory targets is due to the statutory budget restrictions. Given additional efforts are already underway to increase savings based on the additional funding allowed by Section 16-111.5B of the Act and that the statutes clearly allow for modified savings goals, I recommend the Commission decline to direct such workshops take place at this time.

#### 2. DATA CENTER PROGRAM

Α.

Q.

Mr. Crandall states that "[t]he Commission should direct Ameren to implement such a dedicated [data center] program or modify its existing programs and to do so in collaboration with the SAG, within six months of the issuance of the Order in this proceeding." (ELPC Ex. 1.0, 18.) Do you support Mr. Crandall's recommendation that AIC be ordered to work with the SAG to implement a Data Center Program?

Not entirely. I recommend the Commission direct AIC to "investigate" rather than unconditionally "implement" a Data Center Program. Such investigation should assess what the existing baseline and standard practices are for data centers operating in the AIC service territory and whether it would be cost-effective to implement a dedicated Data Center Program. Further, it is my understanding

that data center projects are customized projects and they should already qualify under AIC's Custom Program, so a dedicated Data Center Program may not be necessary.

- I. <u>IIEC, IIEC EXHIBIT 1.0-C CORRECTED DIRECT TESTIMONY OF ROBERT R.</u>
  <u>STEPHENS</u>
- 694 1. <u>Large C&I Pilot Program Proposal</u>

692

693

- 695 Q. Do you support IIEC's recommendation that AIC should provide a proposal 696 for a large commercial and industrial ("C&I") pilot program? (IIEC Ex. 1.0-C, 697 4.)
- A. I am not opposed to this idea in concept; however, IIEC has not provided sufficient information for me to fully support its proposal. There are many positive elements in ComEd's Large C&I Pilot proposal that could form the basis of something I could support for AIC's service territory. (ComEd Ex. 1.0, 82-83 (ICC Docket No. 13-0495).) For example, any large C&I pilot program in the AIC service territory should require projects to be cost-effective and an independent evaluation be performed on the program.
  - J. NRDC, NRDC EXHIBIT 1.0 DIRECT TESTIMONY OF JIM GREVATT
- 706 1. Multifamily Common Area Recommendations (NRDC Ex. 1.0, 30-31.)
- 708 Q. Mr. Grevatt recommends "that the Commission order Ameren to conduct a 709 pilot to assess the opportunities to increase savings in the multifamily 710 market by providing incentives through the Business programs for common 711 area measures and common mechanical system improvements" in order

- "[t]o more fully capitalize on the in-person sales that Ameren is already doing[.]" (NRDC Ex. 1.0, 31.) Do you support that recommendation?
- 714 A. I support the conceptual outcome that Mr. Grevatt hopes to achieve, but I do not
  715 support the Commission ordering AIC to conduct a pilot as described by Mr.
  716 Grevatt. It is my understanding that AIC already provides incentives for common
  717 area measures in multifamily housing units, thus a pilot program to this effect is
  718 unnecessary. (Ameren Resp. to ELPC DR 1.24 Attach 9, 49.) For example, the
  719 program year ("PY") 5 Evaluation Plan for AIC's EE portfolio states:

The Multifamily Program encompasses three program components: <u>Common Area Lighting</u>, In Unit, and <u>Major Measures</u> ... The Major Measures Component was added to the program in PY4, and experienced much higher participation than was expected, resulting in the program exceeding its electric goal by 26% and its therm goal by 271%.

(Ameren Resp. to ELPC DR 1.24 Attach 9, 49 (emphasis added).) In the 2014 Procurement Plan docket, AIC has a dedicated Multifamily Program for multifamily common area electric measures. The Multifamily Program's objective in that docket is to "[d]eliver cost-effective conservation services to the multifamily housing market, with a focus on common area improvements." (See Appendix B-1 to the 2014 Procurement Plan, 37 (ICC Docket No. 13-0546) (emphasis added).) The IPA is recommending Commission approval of \$4,292,956 allocated to this program for PY7, the program year beginning June 1, 2014. (2014 Procurement Plan, 86 (ICC Docket No. 13-0546).)

## **III.** Conclusion

Q. Does this conclude your prepared rebuttal testimony?

737 A. Yes.